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| Subject:           | Social Value Procurement Policy Delivery Report                  |
| Date:              | 15 <sup>th</sup> August 2023                                     |
| Reporting Officer: | Noleen Bohill, Head of Commercial and Procurement Services 'CPS' |
| Contact Officer:   | Lewis Murray, Strategic Category Officer, CPS                    |
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| <b>1.0</b> | <b>Purpose of Report or Summary of main Issues</b>   |
|            | <p>To update the Social Policy Working Group 'SPWG' on the delivery of social value outcomes via open tender competitions awarded in accordance with the Council's Social Value Procurement Policy 'SVPP'</p> <p>The report also provides an update on tenders awarded by Physical Programmes where, due to project funding rules, social value has been considered and included in accordance with the CPD Buy Social Model.</p>  |
| <b>2.0</b> | <b>Background</b>  |
|            | <p>The SVPP was approved by Committee in April 22 with a 'Go Live' date of 1st June 2022.</p> <p>A copy of the SVPP can be found here - <a href="https://www.belfastcity.gov.uk/social-value-procurement-policy">Social Value Procurement Policy (belfastcity.gov.uk)</a></p> <p>SVPP applied to any new applicable open tender exercises with approval dated from 1st June 22.</p> <p>To help Officers understanding the SVPP and how to apply this to applicable tender competitions, the Commercial and Procurement Services 'CPS' team has developed a step-by-step guidance document which takes Officers through key considerations in line with the SVPP. This guidance was developed and communicated to Officers ahead of the 'Go Live' date in June 22.</p> <p>A link has been provided below to this guidance (within the link you can access the guidance which should open as a Microsoft Sway document)</p> <p><a href="https://www.sharepoint.com/social-value-procurement-guidance">Social value procurement guidance now available (sharepoint.com)</a></p> <p>As outlined in the guidance to Officers application of the SVPP is considered in 2 key parts:</p> <p><b>Part 1</b> – For all tender competitions valued over £30k, consideration by Officers about whether to:</p> |

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|            | <ol style="list-style-type: none"> <li>1. Reserve the tender competition to a social enterprise/ VCSE sector taking into consideration levels of market competition in this sector</li> <li>2. Include organisational behaviours (i.e., ethical procurement, environmental and HR policies and procedures) taking into consideration relevance of these policies and procedures to the goods, services or works being purchased and relevance to the market. When selected for inclusion in the tender these social value organisational behaviours are mandatory pass/fail questions for suppliers to demonstrate rather than scored questions.</li> </ol> <p><b>Part 2</b> – the inclusion of a social value weighting (10% or 15%) and scoring for tenders valued:</p> <ul style="list-style-type: none"> <li>• over £250k for tenders pre-April 23</li> <li>• over £30k for tenders post-April 23</li> </ul> <p>The social value offer made by suppliers using the list of social value initiatives and points is then evaluated and scored with a minimum scoring threshold required to be met.</p> <p>Note from April 23 for all tender competitions valued over £30k the following be included (in addition to the above in Part 1):</p> <ol style="list-style-type: none"> <li>1. Payment of the Real Living Wage by suppliers to their employees</li> <li>2. The prohibited use of zero hours contracts by suppliers</li> </ol> <p>The above post April 23 changes will be implemented on a phased approach from April 23 and applied to any new applicable open tender exercises with approval dated from 1st April 23.</p> <p><b><u>CPD Buy Social Model</u></b></p> <p>The CPD Buy Social Model is applied where external central government funding of 50% or greater is provided for a capital/ works project managed by Physical Programmes.</p> <p>Further information on the CPD Buy Social Model can be found here:</p> <p><a href="#">PPN 01/21 - Scoring Social Value   Department of Finance (finance-ni.gov.uk)</a></p> <p><a href="#">Social Value - (buysocialni.org)</a></p> <p>The CPD Buy Social Model is broadly similar to the Council's SVPP in terms of achieving the social value outcomes. See comparison table set out in Annexe 1 (see below at end of report) which provides an overview of the similarities/ differences in key areas.</p> |
| <b>2.0</b> | <b>Reporting Period</b>   |
|            | <p>It is intended that this report will be provided every 2 months in line with scheduled SPWG meetings.</p> <p>This report covers the Reporting Period 1<sup>st</sup> February 2023 to 30<sup>th</sup> June 2023. A longer Reporting Period has been required due to the local elections and no Social Policy Working Group being in place.</p>  |
| <b>3.0</b> | <b>Main report</b>  |

Appendix 1 of this report set out details of tenders valued over £30k which have been awarded during the Reporting Period and associated SVPP data/information

Appendix 1 includes:

Table 1 - Tenders awarded during Reporting Period

This sets out details of tenders awarded during Reporting Period and whether SVPP was applied or not.

For ease of reporting this shows tenders awarded by Commercial and Procurement Services 'CPS' team and the Physical Programmes department.

Table 2 – Summary of key data and findings associated with application of SVPP

This shows a summary of key findings from the tenders set out in Table 1; in particular a summary of the Part 1 SVPP considerations i.e. reserved contracts and social value organisational behaviours.

Table 3 - Summary of Supplier's Social Value Offers (Scored submissions)

This shows a summary of the tenders that included a social value weighting (10/ 15%) and the social value offers put forward by suppliers for evaluation as explained under Part 2.

A summary of each applicable tender has been set out in a table.

Lessons Learned and Continuous Improvement

A Social Value Review Team has been established to review how the SVPP is being implemented and any lessons learned that need to be applied following conclusion of tender competitions. Areas the team are currently reviewing include, but not limited to:

1. Trends in the use of Reserved Contracts and any further guidance required for Officers on when these should be used
2. Trends in the selection of Social Value Organisational Behaviours by Officers when using the Social Value Toolkit and any further guidance required for Officers on when these should be applied
3. The quality of social value offers by suppliers (the scored submissions) and if further guidance is required in terms of how these are evaluated by Officers. In addition any further guidance required for suppliers to improve their understanding BCC expectations in line with Belfast Agenda aims and associated strategies.

The Social Value Review Team will meet every 2 months in line with scheduled SPWG meetings and the production of this report.

The content/ format of this report will be reviewed with further information included as more social value data becomes available i.e. social value delivery by suppliers using SIB reporting database.

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| <b>4.0</b> | <b>Summary</b>  |
|            | Members of the SPWG are asked to consider the content of this report and provide feedback (positive or negative) on the data/ information contained in this report and how the SVPP is being applied. |

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|  | This feedback can then be considered by the Social Value Review Team and associated guidance updated for Officers and suppliers when applying the SVPP.  |
|  | <b>Appendices</b>  |
|  | Appendix 1 <ul style="list-style-type: none"> <li>• Table 1 - Tenders awarded during Reporting Period</li> <li>• Table 2 – Summary of key data and findings associated with application of SVPP</li> <li>• Table 3 - Summary of Supplier’s Social Value Offers (Scored submissions)</li> </ul> |

**Annexe 1 – Comparison between BCC’s SVPP and CPD Buy Social Model**

| <b>Key Criteria</b>                    | <b>BCC SVPP Approach</b>  | <b>CPD Buy Social Model Approach</b>  |
|--|---|---|
| Consideration of Reserved Contracts    | Mandatory consideration with rationale document for inclusion/exclusion noted in Social Value Toolkit   | Mandatory consideration but no further guidance provided about when to reserve.   |
| Social Value Organisational Behaviours | See comparison table below  | See comparison table below  |
| Social value weighting                 | <p>Applied to all applicable tenders valued over £250k (goods, services and work) from June 22 and £30k from April 23.</p> <p>Social value weighting determined by cost criteria for tender i.e.</p> <p>If cost criteria is &gt;50% then social value weighting is 10%</p> <p>If cost criteria is ≤50% then social value weighting is 15%</p> | <p>Applied to above threshold tenders (applicable Public Contracts Regulations) for services and works. Supplies not included.</p> <p>For local government this means application to tenders valued above:</p> <p>£170k (approx.) for services contracts</p> <p>£4.3m (approx.) for works contracts</p> <p>Social value weighting 10%, rising to 20% from June 23 (subject to review/ approval)</p> |
| Minimum Social Value scoring threshold | <p>If 10% social value weighting then minimum 7% out 10% required</p> <p>If 15% social value weighting then minimum 11% out 15% required</p> <p>Suppliers who fail to meet this threshold are excluded from award of tender.</p>  | Not included  |

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| Real Living Wage                       | Mandatory from April 23 | Mandatory requirement |
| Prohibited use of zero hours contracts | Mandatory from April 23 | Not included          |

Social Value Organisational Behaviours comparison

| <b>BCC SVPP Approach</b>   | <b>CPD Buy Social Model Approach</b>  |
|--|---|
| <p>BCC currently include the following requirements as mandatory for all suppliers:</p> <ol style="list-style-type: none"> <li>1. Compliance with the Fair Employment and Treatment (Northern Ireland) Order 1998</li> <li>2. Compliance with the Modern Slavery Act 2015</li> <li>3. Prompt payment of suppliers/ supply chains</li> </ol> <p>Using the Social Value Toolkit (as explained under Part 1) Officers then consider the inclusion of the following social value organisational behaviours in the tender:</p> <p><u>1. Ethical Procurement and Fair Treatment of the Supply Chain</u></p> <p>Suppliers are to demonstrate they have a procurement policy and/or corporate social responsibility policy which clearly sets out the supplier's commitment to ethical procurement practices and fair treatment of your supply chain including associated training/ communication to staff.</p> <p><u>2. Environmental Management Systems</u></p> <p>Suppliers are to demonstrate they have an environmental management system in place i.e. ISO14001 or equivalent.</p> <p><u>3. Single Use Plastics Policy</u></p> <p>Suppliers are to demonstrate they have a single use plastics 'SUP' policy which clearly sets out the supplier's commitment to managing and reducing the use of SUP in their business operations including associated training/ communication to staff.</p> <p><u>4. Donating/ Recycling equipment to the VCSE sector</u></p> <p>Suppliers are to demonstrate they have a policy in place which clearly sets out their commitment to supporting the VCSE sector</p> | <p>From the 1 September 2021 the following requirements are mandatory;</p> <ol style="list-style-type: none"> <li>1. compliance with relevant employment, equality and health and safety law and human rights standards;</li> <li>2. adherence to relevant collective agreements; and</li> <li>3. adoption of fair work practices for all workers engaged in the delivery of the contract.</li> </ol> |

through donating/ recycling equipment (e.g. ICT equipment)

#### 5. Equality and Diversity Policy

Suppliers are to demonstrate they have an equality and diversity policy and/or relevant HR policy which clearly sets out their commitment to equality and diversity in the workplace including associated training/ communication to staff.

#### 7. Development, Health and Wellbeing of Employees

Suppliers are to demonstrate their commitment to the development, health and wellbeing of their employees by providing at least 3 of the following points i) to v):

i) evidence that employees are offered fair and equitable terms of employment including sick pay, holidays, pension and set working hours;

ii) evidence of having a learning and development policy in place which shows commitment to the personal and career development of your employees;

iii) evidence of having in place employee appraisal procedures in place including regular employment engagement;

iv) evidence of offering employees flexible working to support a healthy work life balance i.e. flexible working hours or working from home option;

v) evidence of having in place policies/ initiatives to support the mental and physical health of your employees e.g. offer employee counselling services or occupation health support service.